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17 MARIA SMITH BARRAGAN

18 UNITED STATES DISTRICT COURT
19 CENTRAL DISTRICT OF CALIFORNIA
20 WESTERN DIVISION

21 MARIA SMITH BARRAGAN

22 Plaintiff,

23 vs.

24 BOARD OF GOVERNORS OF THE
25 FEDERAL RESERVE SYSTEM; and
26 DOES 1 through 100,

27 Defendants.

EDCV11-0696 VAP SP_x
COMPLAINT FOR
DECLARATORY AND
INJUNCTIVE RELIEF

28 1. This is an action by victims of a ponzi-scheme, pursuant to the
Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, as amended, seeking to
vindicate their right to obtain government records maintained by the Board of
Governors of the Federal Reserve System (the "Fed"), an agency of the United

COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

1 States government, concerning the Fed's suspicious activity reports, currency
2 transaction reports and other factual documentation relating to East West Bank's
3 knowing, active, and substantial facilitation of a ponzi-scheme.

4 2. The documents that the victims seeks are central to litigants in
5 understanding and assessing the role of East West Bank for the existence of a
6 ponzi-scheme that raised over \$45 million dollars from hundreds of investors
7 and that the Securities and Exchange Commission (SEC) halted in an emergency
8 enforcement action. The victims have exhausted their administrative remedies
9 and now seek judicial review for assistance in obtaining the information
10 necessary for them to seek redress in a pending action in the complex litigation
11 department of the Los Angeles Superior Court, filed on April 30, 2009
12 (BC412981) (hereinafter "the state complaint"). The state complaint alleges that
13 East West Bank aided and abetted a ponzi-scheme through for example, millions
14 of dollars in loans in the form of letters of credit, lines of credit, real estate
15 loans, overdrafts covering the ponzi-schemes otherwise worthless checks in an
16 overdraft protection scheme, an East West Bank Vice-President's \$360,000.00
17 investment in the ponzi-scheme, millions in overseas and domestic wire
18 transfers, allowing the establishment of over 25 bank accounts and many other
19 instances of technical and financial assistance.

20 3. The state compliant alleges, "the system devised by East West
21 Bank entailed systematically clearing checks presented for payment on AOB
22 accounts that had insufficient funds, communicating daily with personnel of
23 AOB regarding checks presented for payment and transferring funds from
24 Money Market Accounts to pay for the cleared checks that would have
25 otherwise bounced. Without this short term bridge, the Ponzi-scheme could not
26 have succeeded to the extent it did." Compl. ¶ 23. This atypical procedure is

1 significant given the suppression of information that it entailed for the unwary
2 investors regarding the true nature of their investments. Through this system
3 East West Bank had direct knowledge about the number, identity, amount and
4 timing of monies circulating through the sham accounts. Compl. ¶ 24. A true
5 and correct copy of the state complaint is attached as Exhibit A to this
6 Complaint.

7 4. An East West Vice-President on two separate occasions violated
8 this Court's order freezing its client's bank accounts in the SEC enforcement
9 action by transferring \$455,000.00, and \$290,000.00, to the ponzi-scheme
10 mastermind, the latter by cash stuffed in bags

11 5. The discovery of bank examination information is not absolutely
12 precluded. The bank examination privilege, like the deliberative process
13 privilege, shields from discovery only agency opinions or recommendations; it
14 does not protect purely factual material. *See Environmental Protection Agency v.*
15 *Mink*, 410 U.S. 73, 90, 93 S.Ct. 827, 837, 35 L.Ed.2d 119 (1973). Even when
16 asserted to protect deliberative material, the privilege may be overridden where
17 necessary to promote "the paramount interest of the Government in having
18 justice done between litigants," *Northrop Corp. v. McDonnell Douglas Corp.*,
19 751 F.2d 395, 407 (D.C.Cir.1984) (quoting *Westinghouse Elec. Corp. v. City of*
20 *Burlington, Vt.*, 351 F.2d 762, 767 (D.C.Cir.1965).

21 6. To adequately present its case in Los Angeles Superior Court the
22 victims have sought access to this information under FOIA and discretionary
23 release. To date, the Fed has failed to produce the requested documents.
24 Consequently, victims brings this suit to compel the Fed to discharge its
25 obligations under FOIA, so that the victims can adequately present their case.

FACTS

11. On April 20, 2009 Plaintiffs filed an action in Los Angeles Superior Court alleging that East West Bank and its officers aided and abetted a Ponzi-scheme, the case is now in the process of concentrated and extensive discovery.

12. The ponzi-scheme that gave rise to the state action was halted in an SEC enforcement action entitled *Securities and Exchange Commission v. AOB Commerce Inc. et. al.* Civ. 07-4507 filed on July 12, 2007.

13. Approximately 45 million dollars was raised in the ponzi-scheme and the federally appointed receiver estimates that approximately \$23 million is missing.

14. On or about September 26, 2010 counsel for the victim investors electronically submitted a Freedom of Information Request (FOIA) with the Fed requesting “from the period 2001-2008 All Suspicious Activity Reports filed by East West Bank related to Neilson Liao also known as Terchi Liao, AOB Commerce Inc., Asia Fund 1 LLC, AOB Vacations Inc., Quennie Chu aka Lai Li Chu, AOB Media Inc., AOB Management, Peter Liao.”

15. On September 30, 2010 the Fed sent victims counsel a letter denying the request. A true and correct copy of the denial is attached as Exhibit B to this Complaint.

16. On October 14, 2010 victims counsel appealed the FOI denial. A true and correct copy of the appeal is attached as Exhibit C to this Complaint. Sometime after the filing of the FOI appeal counsel for the Fed telephoned victims counsel and directed him to pursue a discretionary release request from the Fed’s office of general counsel.

17. The appeal was denied.

1 officer in charge of the customer relationship with the ponzi-scheme was the
 2 also the person responsible for the filing of the suspicious activity reports,
 3 currency transactions reports and other compliance documents. Moreover, the
 4 content of the reports, if they exist at all, may establish East West Banks
 5 knowledge of the ponzi-scheme to a degree sufficient to impose liability upon it
 6 for aiding and abetting. The public interest in litigants adequately obtaining
 7 documents in possession that may assist in the pursuit of justice far outweigh the
 8 Fed's interest in maintaining the secrecy of the documents, especially in light of
 9 the fact that protective orders may be fashioned that will preclude the broad
 10 disclosure of the documents.

11 24. Plaintiff has exhausted all administrative remedies.

12 25. Plaintiff has a statutory right to the requested records.

13 26. The Court's review of the denial is de novo and an in camera
 14 inspection of the requested information is authorized under 5 U.S.C. §
 15 552(a)(3)(B).

16 FIRST CAUSE OF ACTION

17 (Request for declaratory judgment under 28 U.S.C. § 2201)

18 27. Plaintiff repeats, realleges, and incorporates the allegations in the
 19 foregoing paragraphs as though fully set forth herein.

20 28. FOIA mandates public disclosure by the Fed of the Requested
 21 Records.

22 29. The Fed has not provided the Requested Records to Plaintiff.

23 30. An actual and justiciable controversy exists as to whether the Fed
 24 has violated FOIA.

1 31. Plaintiff seeks declaratory judgment that FOIA entitles Plaintiffs to
2 the Requested Records and that the Fed should produce those records
3 immediately.

4 SECOND CAUSE OF ACTION

5 (Request for records improperly withheld in violation of FOIA)

6 32. Plaintiff repeats, realleges, and incorporates the allegations in the
7 foregoing paragraphs as though fully set forth herein.

8 33. Plaintiff seeks disclosure of, and access to, the Requested Records.

9 34. FOIA mandates public disclosure by the Fed of the Requested
10 Records.

11 35. The Fed's failure to make the Requested Records promptly
12 available to Plaintiff violates 5 U.S.C. § 552(a)(3)(A).

13 36. Upon prevailing, Plaintiff should be awarded its attorneys' fees
14 under 5 U.S.C. § 552(a)(4)(E).

15 PRAYER FOR RELIEF

16 WHEREFORE, Plaintiff requests that this Court:

17 37. Declare and Order the Fed to make the Requested Records
18 immediately available ; and

19 38. Grant such other and further relief as this Court may deem just and
20 proper, including but not limited to attorneys' fees..

21
22 Dated: May 2, 2011

Respectfully submitted,

23
24
25 /s/ Julio J. Ramos
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EXHIBIT A

1 **INTRODUCTION**

2 Plaintiffs CARMEN HUERTA AMEZCUA, MARIA SMITH
3 BARRAGAN, GUILLERMO POZO, and LILY POZO (hereinafter "Plaintiffs") are
4 victims of a Ponzi scheme, on behalf of themselves and as representatives of a class of
5 similarly situated persons who paid money for fraudulent promissory notes from Terchi
6 Liao a/k/a Nelson Liao and shell corporations and entities he controlled and who were
7 knowingly and substantially aided and abetted by defendant EAST WEST BANCORP
8 ("East West Bank ") allege as follows:

9 **JURISDICTION AND VENUE**

10 1. This case has been filed in this Court because a substantial part of
11 the acts and omissions complained of took place in the county of Los Angeles. Venue as
12 to the Defendant is proper in this judicial district pursuant to the provisions of section
13 17203 of the California Business and Professions Code, and Section 395(a) and 395.5 of
14 the California Code of Civil Procedure. Each Defendant is within the jurisdiction of the
15 Court for purposes of service of process, and many of the unfair, unlawful and/or
16 fraudulent acts committed and pursuant to the actions hereinafter alleged had a direct
17 effect within the State of California and, more particularly, within the County of Los
18 Angeles

19 2. The Securities and Exchange Commission has initiated and
20 concluded a related enforcement action entitled Securities and Exchange Commission v.
21 AOB Commerce Inc. et. al. Civ. 07-4507 filed on July 12, 2007 before the Honorable
22 Judge Christina A. Snyder. East West Bank has been identified as having substantially
23 aided and abetted the AOB Commerce Inc., defendants in that action in perpetrating a
24 nationwide "ponzi-like" scheme through its branches and officers located within this
25 judicial district.

26 3. Each Defendant maintains an office, transacts business, has an
27 agent, or is found in the County of Los Angeles. Each Defendant is within the

jurisdiction of the Court for purposes of service of process, and many of the unfair, unlawful and/or fraudulent acts committed and pursuant to the actions hereinafter alleged occurred here.

PARTIES

4. Plaintiff CARMEN HUERTA AMEZCUA is an individual and resides in Henderson Nevada. On October 30, 2006 she wire transferred her life savings of \$50,000.00 to East West Bank acct#005806658 an account controlled by Liao.

5. Plaintiff MARIA SMITH BARRAGAN is an individual and resides in Moreno Valley, California. On December 10, 2006 she purchased with her life savings of \$100,000.00 a Promissory Note from AOB Commerce Inc. and signed by Liao that guaranteed 3% monthly interest.

6. Plaintiff GUILLERMO POZO and LILY POZO are individuals and husband and wife, residing in Moreno Valley, California. Between September of 2006 and September of 2007, the Pozo's purchased Promissory Notes from AOB Commerce Inc., in the total amount of \$270,000.00. The Promissory Notes guaranteed returns of 4%, monthly. The Pozo's money was wired to East West Bank, account #005806658, an account controlled by Liao and money from the scheme flowed to East West bank accounts Liao and others controlled in Hong Kong. They have traveled to the Peoples Republic of China with Liao and believe executives and officers of East West Bank accompanied them. They have received East West Bank checks on funds derived from AOB Commerce Inc. ponzi-scheme investors.

7. During the Class Period, Plaintiffs purchased the promissory note by virtue of a Ponzi-scheme aided and abetted by East West Bank. They and a class of similarly situated individuals have been injured by reason of East West's wrongful banking practices as alleged in this Complaint.

8. Defendant EAST WEST BANCORP INC. is a bank holding company with its principal place of business in Pasadena California.

1 represented that they were in the business of making loans to companies in Asia,
2 particularly China. Although AOB made some small loans to Asian companies,
3 undisclosed to Plaintiffs, they principally used investor funds to pay the monthly interest
4 on the Notes and to pay commissions to persons who solicited others to invest in the
5 Notes.

6 14. Plaintiff CARMEN HUERTA AMEZCUA, wire transferred
7 \$50,000.00 in cash to East West Bank destined for accounts controlled by Liao.

8 15. Pursuant to a complaint filed on July 12, 2007 before the
9 Honorable Judge Christina A. Snyder, the Securities and Exchange Commission sought
10 an Order to seize the assets of AOB in Securities and Exchange Commission v. AOB
11 Commerce Inc. et. al. Civ. 07-4507.

12 16. On July 12, 2007 the Court Ordered the seizure of AOB assets, the
13 appointment of a receiver and other provisional relief pursuant to an *Ex Parte* application
14 filed by the Securities and Exchange Commission based on violations by Liao and his
15 controlled entities of the Securities Act of 1933 and 1934.

16 17. Defendant East West Bank was the primary bank whereby AOB
17 cleared its transactions, received and sent wire transfers, loaned money to AOB,
18 facilitated the use of investor funds to pay the monthly interest on the promissory notes
19 and to pay commissions to persons who solicited others to invest in the promissory notes.

20 18. The fruit of the Ponzi-scheme, i.e. monies held in accounts
21 controlled by Liao and on deposit with East West Bank were diverted to East West Bank'
22 branch officers in China and other overseas accounts controlled by Liao.

23 19. Liao also used the proceeds from his misdeeds to finance a lavish
24 jet-setting lifestyle complete with luxury estates, boats, international travel and parties.

25 20. This Ponzi-scheme would never have been possible without the
26 substantial and knowing assistance of East West Bank. Defendant Queenie Chu and
27 other officers of East West Bank directly and substantially assisted and participated in
28

1 sham transactions whereby AOB related entities openly controlled by Liao, obtained
2 loans from East West Bank to fund personal expenses and expenditures.

3 21. In August 2006, East West Bank financed the purchase by AOB of
4 a residence in Lake Forest California, for an amount of \$1,200,000. That property was
5 titled to AOB Asia Fund I, LLC one of the vehicles utilized by Liao to orchestrate his
6 Ponzi-scheme.

7 22. The Branch Manager for East West Bank at 135 North Los Robles
8 Avenue Pasadena, CA 91101-1758, Lai Chi Chu aka Queenie Chu directed and approved
9 East West's dealings with AOB, facilitated loans between East West Bank and AOB
10 controlled entities, referred investors to AOB, and socialized and travelled with AOB
11 personnel on a continual basis.

12 23. At All times Lai Chi Chu was acting within the scope of her
13 employment with East West Bank and as such East West Bank is liable for her acts in
14 aiding and abetting Liao.

15 24. A Ponzi-scheme cannot succeed without the assistance of a bank.
16 In this instance, East West Bank failed to follow standard banking industry practices by
17 providing AOB with a crucial mechanism to sustain its Ponzi –scheme. The system
18 devised by East West Bank entailed systematically clearing checks presented for payment
19 on AOB accounts that had insufficient funds, communicating daily with personnel of
20 AOB regarding checks presented for payment and transferring funds from Money Market
21 Accounts to pay for the cleared checks that would have otherwise bounced. Without this
22 short term bridge, the Ponzi-scheme could not have succeeded to the extent it did.

23 25. Through this mechanism, East West Bank, knew that Liao was
24 paying his investors the interest on the promissory notes with new investor funds, rather
25 than being paid interest from legitimate business activity.

26. East West Bank would also exchange investor checks for cashier's checks payable to Liao controlled overseas entities such as AOB Commerce (Hong Kong) Limited.

27. Another atypical banking practice utilized by East West to facilitate the scheme involved the establishment of Liao controlled sham bank accounts. Despite warnings from the Treasury Department, East West Bank allowed Liao to open, control, maintain and utilize over twenty bank accounts, including the following:

Financial Institution	Account Name	Account No.
East West Bank	AOB Asia Fund I, LLC	83702258
East West Bank	AOB Asia Fund I, LLC	83702688
East West Bank	AOB Commerce, Inc.	05805239
East West Bank	AOB Commerce, Inc.	05806658
East West Bank	AOB Commerce, Inc.	14033799
East West Bank	AOB Commerce, Inc.	83702829
East West Bank	AOB Commerce Inc.	83702886
East West Bank	AOB Commerce Inc.	88366178
East West Bank	AOB Commerce, Inc.	05806039
	dba Garfield Venture	
East West Bank	AOB Commerce, Inc.	05806989
	dba Gabriel Maros Meza	
East West Bank	AOB Management, Inc.	15215510
East West Bank	AOB Management, Inc.	83701938
East West Bank	AOB Management, Inc.	83702738
East West Bank	AOB Media, Inc.	83700898
East West Bank	AOB Trans. ,Inc.	83701383
East West Bank	AOB Vacations, Inc.	83701888
East West Bank	Terchi Liao	05806559
East West Bank	Terchi Liao	13954888

28. The atypical procedures intentionally utilized by East West Bank to actively facilitate the Ponzi-scheme, establish the actual knowledge required under the law to hold East West Bank liable for aiding and abetting liability. Multiple related entity accounts such as those identified above are common "red flags" triggering requirements to investigate under the Bank Secrecy Act and Anti-Money Laundering Law whether the

1 funds obtained derive from legitimate business activity. Instead of heeding numerous
2 tell-tale warning signs of illegitimate and likely criminal conduct, East West Bank
3 enmeshed itself with the AOB operation, and providing AOB with an air of legitimacy
4 that launched AOB and fueled the growth of the scheme to defraud.

5 29. East West Bank was so heavily invested in Liao, that on July 19,
6 2007 a full 7 days after the Court ordered AOB in receivership and seizure of its assets,
7 East West Bank officers, and specifically Defendant Queenie Chu, in direct violation of
8 the Order distributed over \$290,000.00 in receivership cash to Liao. They also made
9 other transactions on his behalf that defied the court Order, such as issuing a cashier's
10 check in the amount of \$455,000.00 derived from investor deposits payable to a Liao
11 controlled entity.

12 30. On October 10, 2007 a check from an AOB controlled entity was
13 issued to East West Bank Officer Queenie Chu as hush money with respect to the Ponzi-
14 scheme.

15 31. On February 13, 2008 the receiver appointed by the Court sought
16 Quennie Chu's deposition. At that deposition, Ms. Chu asserted her Fifth Amendment
17 Right against self incrimination to all substantive questions posed by attorneys for the
18 receiver.

19 32. The liability faced by East West Bank can best be summarized by
20 the article "When Bankers Look The Other Way" Business Law Today: American Bar
21 Association, Volume 14, No. 5 May/June 2005:

22 **A fraudulent investment scheme of any substantial size requires the**
23 **services of a financial institution to continue. Banks are needed to**
24 **gather the money from the victim "investors" and provide them with**
25 **"returns" which, in reality, are nothing more than a portion of the**
26 **investor's own money. Most important for the criminals, financial**
27 **institutions are needed to help steal the money by laundering it**
28 **through other accounts, covering their trails and then hiding the**
 money in overseas bank haven countries or their own pockets. When,
 despite knowledge of such fraudulent conduct, banks provide their
 assistance to the scheme, liability results.

1 33. On November 9, 2006 at the height of the AOB Ponzi-scheme the
2 Department of the Treasury warned financial institutions in the following manner
3 regarding shell companies of the type utilized in this case:

4 **Providing services to shell companies involves varying degrees of risk,**
5 **depending on the ownership structure, nature of the customer, the**
6 **services provided, purpose of the account, the location of services, and**
7 **other associated factors. The potential to abuse shell companies for**
8 **illicit activities must be recognized, and financial institutions must be**
9 **vigilant in monitoring such companies on an ongoing basis. Financial**
10 **institutions are expected to assess the risks involved in each shell**
11 **company relationship and take steps to ensure that the risks are**
12 **appropriately and effectively identified and managed in accordance**
13 **with their BSA obligations.**

14 34. With the knowledge and substantial assistance of East West Bank
15 as its primary bank, and specifically Queenie Chu, AOB was able to do the following in
16 the six-month period from July 1, 2006 through December 31, 2006:

- 17 • Raised more than \$13.7 million from investors through the sale of
- 18 promissory notes;
- 19 • Received less than \$375,000 from other business activities;
- 20 • Paid more than \$6 million in interest and commissions to investors;
- 21 • Loaned or otherwise transferred almost \$6 million to shell entities
- 22 owned and/or controlled by Liao, i.e., AOB Management, Inc.,
- 23 AOB Media, Inc., AOB Transportation, Inc., and AOB Vacations,
- 24 Inc.

25 35. Since at least September 2006 East West Bank, and specifically
26 Queenie Chu, knew that AOB was unable to pay the monthly interest due investors from
27 its business activities, and knew or was reckless in not knowing that AOB was unable to
28 do so prior to that date.

36. AOB would often transfer large amounts of cash between affiliated entities. As noted by the receiver in its report to the Court dated July 27, 2007 “the temporary receiver believes that AOB Commerce Inc. is not likely to recover any funds from the affiliated investment entities none of the planned business ventures has any customers, contracts, existing sales, accounts receivable or other assets, or immediate prospects for any regular and on-going business.” Id. at p. 11. As AOB’s primary bank, East West was at all times aware of the fact that Liao controlled these entities and that they had no viable business basis; yet armed with this knowledge it continued to assist Liao in his scams and directly profited from his illicit activities.

CLASS ACTION ALLEGATIONS

37. Plaintiffs bring this action under California Code of Civil Procedure Section 382, on behalf of themselves and as representative of a class consisting of:

All persons, sole proprietorships, partnerships, corporations and other entities who transferred monies to TechI aka Nelson Liao through accounts he controlled at East West Bank at any time during the four year period prior to the filing of this lawsuit (the “Class Period”). Excluded from the Class are governmental entities, any judge, justice or judicial officer presiding over this matter and the members of his or her immediate family, the Defendants, along with their respective parents, subsidiaries and/or affiliates. Also excluded from this class are the legal representatives, heirs, successors and attorneys of any excluded person or entity, and any person acting on behalf of any excluded person or entity.

38. Plaintiff does not know the exact size of the class; however, Plaintiff believes that the number of class members is so numerous that joinder is impracticable. Plaintiff believes that most class members are located in the State of California.

39. Numerous questions of law and fact are common to the class, including but not limited to the following:

- 1 a. whether East West Bank acted knowingly in allowing, Terchi Liao,
- 2 to sell promissory notes in violation of Federal Securities Law;
- 3 b. whether East West Bank acted knowingly in allowing Terchi Liao,
- 4 to sell promissory notes in an unfair, unlawful and/or fraudulent
- 5 manner;
- 6 c. whether East West Bank substantially assisted Terchi Liao in a
- 7 ponzi-scheme;
- 8 d. whether East West Bank's conduct caused injury to Plaintiffs and
- 9 the members of the class and, if so, the appropriate class-wide
- 10 measure of damages;
- 11 e. the operative time period for the aiding and abetting course of
- 12 conduct;
- 13 f. the nature and extent of class-wide injury and the measure of
- 14 damages for that injury;
- 15 g. whether the class is entitled to restitution; and
- 16 h. whether the Defendants actively took steps to conceal their actions.

17 40. These and other questions of law and fact predominate over any
18 questions affecting only individual members of the class.

19 41. The claims of Plaintiffs are typical of the claims of the class in that
20 Plaintiff sent money to East West Bank to purchase promissory notes from Terchi Liao.
21 Indeed, Plaintiff's purchases were in all relevant respects typical of purchases by other
22 class members, and the monetary damages and injunctive relief sought is common to the
23 class.

24 42. Plaintiffs will fairly and adequately protect the interest of the class
25 in that Plaintiffs, have no conflicts with any other members of the class, and are
26 represented by experienced and able counsel. The Plaintiffs' interests are coincident
27 with, and not antagonistic to, those of the class members.

1 (c) Aiding in the completion of hundreds of wire transfers and
 2 withdrawals totaling millions of dollars in investor funds;
 3 and

4 (d) Establishing a mechanism whereby overdrafts would be
 5 covered by the bank.

6 47. As a direct and proximate result of East West Bank's aiding and
 7 Abetting Liao's breach of fiduciary duty, Plaintiffs' have suffered compensable damages.

8 **SECOND CAUSE OF ACTION**

9 **(Aiding and Abetting Fraud)**

10 48. Plaintiffs incorporate by reference each and every allegation set
 11 forth above as if fully set forth by this reference.

12 49. AOB knowingly misrepresented, omitted, and/or concealed from
 13 Plaintiffs and Class members material facts relating to the activities and legitimacy of the
 14 AOB enterprise, as set forth herein, including, but not limited to: (1) material
 15 misrepresentations about the nature of the AOB scheme, including, but not limited to, the
 16 benefits of participation, the business acumen of the operators of AOB, and the legality of
 17 the scheme; (2) material misrepresentations regarding the misappropriation of investor
 18 funds by Liao for his personal use; and, (3) material misrepresentations that investors
 19 would earn a guaranteed return of 5.5% per month.

20 50. East West Bank aided and abetted, encouraged and rendered
 21 substantial assistance to AOB to accomplish the wrongful acts complained of herein. In
 22 adding and abetting and substantially assisting the commission of the acts complained of,
 23 East West Bank acted with an awareness of AOB's wrongdoing and misrepresentations,
 24 and realized that East West's conduct would substantially assist the accomplishment of
 25 the wrongful conduct and scheme alleged herein.

26 51. East West Bank substantially assisted AOB by :
 27
 28

- 1 (a) Providing Liao with over 20 East West Bank sham
2 accounts as a conduit for having investors deposit monies,
3 and allowing the diversion of funds for Liao's personal use;
4 (b) Failing to file Suspicious Activity Reports;
5 (c) Aiding in the completion of hundreds of wire transfers and
6 withdrawals totaling millions of dollars in investor funds;
7 and
8 (d) Establishing a mechanism whereby overdrafts would be
9 covered by the bank.

10 52. As a direct and proximate result of East West Bank's aiding and
11 Abetting Liao's fraud, Plaintiffs' have suffered compensable damages.

12 **THIRD CAUSE OF ACTION**

13 **(Unjust Enrichment)**

14 53. Plaintiff incorporates by reference each and every allegation set
15 forth above as if fully set forth by this reference.

16 54. Defendant has been unjustly enriched through the payment of fees
17 and charges associated with accounts controlled by Liao and derived from investor funds.

18 55. Plaintiffs seek disgorgement of all profits resulting from such fees
19 and charges of a constructive trust from which Plaintiff and class members may seek
20 restitution.

21 **FOURTH CAUSE OF ACTION**

22 **Violation of California Business & Professions Code § 17200 et seq.**

23 **(The Unfair Competition Act)**

24 56. Plaintiffs re-allege and incorporate each and every allegation set
25 forth above.

1 57. Section 17200 of the California Business & Professions Code
2 prohibits unfair competition by prohibiting any “unlawful, unfair or fraudulent business
3 acts or practice...”

4 58. Plaintiffs and similarly situated members of the public have been
5 injured as a direct and proximate result of Defendant’s unfair, unlawful, and/or fraudulent
6 business practices as alleged above, and these proceedings are instituted pursuant to
7 section 17203 and 17204 of the California Business and Professions Code, to obtain relief
8 from Defendants’ business acts and practices that violate the Unfair Competition Act.

9 59. The Defendants’ conduct as alleged herein violates the Unfair
10 Competition Act. The business acts and practices of defendants constituted and
11 constitutes a common continuous and continuing course of conduct of unfair competition
12 by means of unfair, unlawful and/or fraudulent business acts or practices within the
13 meaning of the Unfair Competition Act including, but in no way limited to, the
14 following:

- 15 a. Defendants’ business acts and practices are unfair, unlawful,
16 and/or fraudulent to consumers in the State of California within the
17 meaning of Business and Professions Code section 17200; and
- 18 b. Defendants’ acts and practices are fraudulent within the meaning
19 of Business and Professions Code section 17200;
- 20 c. Defendants’ business acts and practices, as described above,
21 whether or not in violation of Business and Professions Code
22 section 17200 *et. seq.* and whether or not the product of concerted
23 action are otherwise unfair, unconscionable, unlawful and/or
24 fraudulent; and
- 25 d. East West Bank knowingly aided Liao to sell securities in an
26 unlawful and/or fraudulent manner.

1 60. Defendants' acts, omissions, misrepresentations, practices, and
2 non-disclosures, as alleged herein, constituted and constitute unfair, unlawful and/or
3 fraudulent business practices within the meaning of California Business & Professions
4 Code, Section 17200 *et. seq.*

5 61. Plaintiff and the members of the Class are entitled to relief,
6 including full restitution and/or disgorgement of all revenues, earnings, profits,
7 compensation and benefits which may have been obtained by Defendants as a result of
8 such business acts or practices and enjoining defendants to ease an desist from engaging
9 in the practices described herein.

10 62. To prevent unjust enrichment pursuant to the California Business
11 and Professions Code, Defendant should be required to place all disgorged illegal gains
12 and profits in a constructive trust to be established by the court for the purpose of making
13 full restitution to all injured parties.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiffs on behalf of themselves and the members of the
16 class, prays for judgment against the Defendants, jointly and severally, as follows:

17 On the First through Fourth Causes of Action:

- 18 1. Compensatory damages according to proof
- 19 2. General Damages according to proof
- 20 3. Special Damages according to proof
- 21 4. Disgorgement of all charges and fees paid
- 22 5. Restitution damages
- 23 6. Punitive damages
- 24 7. Pre and post judgment interest
- 25 8. For reasonable attorneys' fees and costs of suit as permitted by law,
26 including but not limited to Cal. Code of Civ. Proc. Section 1021.5;
- 27

1 9. For costs of suit and such other and further relief as the Court may deem
2 just and proper.

3 **JURY TRIAL DEMAND**

4 Plaintiff hereby demands a trial by jury for all issues so triable.

5
6 Dated: March 26, 2010

respectfully submitted,

7
8 By: 

JULIO J. RAMOS (SBN. 189944)
LAW OFFICES OF JULIO J. RAMOS
35 Grove Street, Suite 107
San Francisco, California 94102
Telephone: (415) 948-3015
Facsimile: (415) 469-9787

STEVEN M. NUÑEZ (SBN.
185421)
LAW OFFICE OF STEVEN M.
NUÑEZ, APC
3333 Camino del Rio South, Suite
215
San Diego, California 92108
Telephone: (619) 296-8400
Facsimile: (619) 296-8400

Attorneys for Plaintiffs
CARMEN HUERTA AMEZCUA
MARIA SMITH BARRAGAN
GUILLERMO POZO
LILY POZO

CERTIFICATE OF SERVICE

I am a citizen of the United States and am employed in the County of San Francisco. I am over the age of eighteen years and not a party to the within action. My business is located at 35 Grove Street Suite 107, San Francisco CA 94102.

On March 26, 2010, I served the foregoing document entitled:

FIRST AMENDED CLASS ACTION COMPLAINT

on the following parties by electronic means:

QUINN EMANUEL URQUHART & SULLIVAN

Kenneth R. Chiate

kenchiate@quinnemanuel.com

Danielle Gilmore

daniellegilmore@quinnemanuel.com

Eric Bakewell

ericbakewell@quinnemanuel.com

Michael Galvin

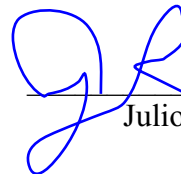
michaelgalvin@quinnemanuel.com

865 South Figueroa Street, 10th Floor

Los Angeles, CA 90017-2543

By electronic mail transmission from ramosfortrustee@yahoo.com on March 25, 2010, by transmitting a PDF format copy of such document(s) to each such person at the e-mail address listed below their address(es). The document(s) was/were transmitted by electronic transmission and such transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 26th day of March, 2010, at San Francisco, California.



Julio J. Ramos

EXHIBIT B



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 18, 2011

Mr. Julio J. Ramos
Law Offices of Julio J. Ramos
25 Grove Street, Suite 107
San Francisco, CA 94102

Re: Request for Confidential Supervisory Information Pursuant to 12 C.F.R. § 261.22;
Amezcuca v. East West Bancorp, Case No. BC412981;
In the Superior Court of the State Of California, County of Los Angeles

Dear Mr. Ramos:

This responds to your request for discretionary release of documents, dated February 8, 2011, in which you request access to confidential supervisory information of the Board for use in connection with the above-captioned matter. As I understand it, you represent the plaintiff class in an action against East West Bancorp and a former Vice President of East West Bancorp, Lai Chi Chu (collectively, "Defendants"), for aiding and abetting breach of fiduciary duty and fraud, as well as unjust enrichment and violations of the California Business & Professional Code.

You explain that the litigation relates to an alleged Ponzi scheme which Defendants allegedly aided and abetted. Specifically, you assert that East West Bancorp maintained over 25 "sham" bank accounts in connection with a Ponzi scheme, and cleared checks presented for payment on these accounts despite insufficient funds, paid fictitious taxes, and collected fees from these accounts. You further assert that Ms. Chu, in her role as Vice President and branch manager at East West Bancorp, distributed \$290,000 in receivership cash to the party responsible for this Ponzi scheme.

You explain that Ms. Chu has invoked her Fifth Amendment rights in response to a discovery request for production of documents. You further indicate that Ms. Chu has requested that, in exchange for her testimony, the court grant her immunity from prosecution or stay the case until the statute of limitations on all potential criminal charges against her has expired. On motion from Ms. Chu, the court stayed all discovery against Ms. Chu for six months on January 26, 2011.

You request that the Board make available for review and reproduction all Suspicious Activity Reports, OFAC Reports, Currency Transaction Reports, and any or all other reports,

summaries, or communications filed by East West Bank relating to Ms. Chu, Neilson Liao, AOB Commeric Inc., Asia Fund I LLC, AOB Vacations Inc., AOB Media Inc., AOB Management, Peter Laio, Judy Seo, and Eva Aw for the period of 2001 to 2008. You assert that the plaintiffs need this information in order to meet their burden of persuasion in establishing knowledge of fraud. You further assert that the information cannot be obtained from Ms. Chu because of the court's six-month stay on discovery.

To the extent that the Board possess the documents you request, they would constitute confidential supervisory information under the Board's Rules Regarding Availability of Information, 12 C.F.R. § 261.2(c). Confidential supervisory information is "confidential and privileged. Accordingly, the Board will not normally disclose this information to the public." 12 C.F.R. § 261.22(a). The Board believes, as a general matter, that information of this type must remain confidential because of the need to ensure absolute candor in communications between bankers and examiners. Upon written request to the General Counsel by a party seeking such information, confidential supervisory information may be made available if such person is able to show a "substantial need for [the] information that outweighs the need to maintain confidentiality" and that disclosure would be "consistent with the supervisory and regulatory responsibilities and policies of the Board." 12 C.F.R. § 261.22(c). Before such information may be released, however, the requester must comply with all provisions of 12 C.F.R. § 261.22(b).

Based upon my understanding of this matter and on discussions with appropriate Federal Reserve System staff, I have determined that you have not shown a substantial need for confidential supervisory information that outweighs the need for the Board to maintain the confidentiality of examination information, and that disclosure would not be consistent with the supervisory and regulatory responsibilities and policies of the Board. 12 C.F.R. § 261.22.

Because of our obligations under the Bank Secrecy Act, 31 U.S.C. § 5318, it is the Board's policy not to release Suspicious Activity Reports or Currency Transaction Reports. Though banks are also prohibited from releasing these reports, 12 C.F.R. § 208.62, you may request any underlying transaction documents from East West Bancorp through the normal discovery process.

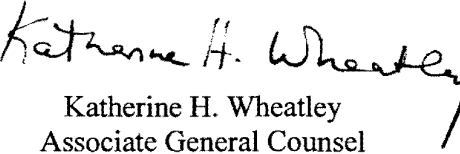
Further, you have not explained why Federal Reserve documents are necessary to the resolution of this matter. See 12 C.F.R. § 261.22(b)(iv). You do not indicate why the court's six-month stay on discovery against Ms. Chu precludes you from making discovery requests to East West Bancorp and the other Defendants. These parties would presumably be in possession of the underlying business documents that would be reflected in the reports you request. Moreover, a temporary stay on discovery against a single defendant, while it may delay resolution of your suit, does not impede your ability to obtain any information you seek from that party through the normal discovery process once the court's stay has expired.

Thus, you have not explained why you cannot obtain the information sought from any other source. See 12 C.F.R. § 261.22(b)(v). You may obtain information on the accounts in question by reviewing East West Bancorp's own business records. Confidential supervisory information does not include records maintained by the bank that were prepared by East West

Bancorp for its own business purposes, and that do not on their face reflect confidential communications with examiners, even if those documents were in fact reviewed or copied by examiners or were reflected in or provided to the Federal Reserve in a SAR or other filing. You may retain your own expert to assist you in determining the legal consequences of the facts revealed in those records.

For the reasons discussed above, your administrative request for confidential supervisory information is denied. If you have any questions regarding this matter, you may contact Spencer Davis of the Board's Legal Division at (202) 452-3512.

Sincerely,


Katherine H. Wheatley
Associate General Counsel

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EXHIBIT C

JULIO J. RAMOS
LAW OFFICES OF JULIO J. RAMOS

35 GROVE STREET SUITE 107
 SAN FRANCISCO CA 94102
 TELEPHONE: (415) 948-3015
 FAX NUMBER: (415) 469-9787
 E-mail: ramosfortrustee@yahoo.com

FACSIMILE COVER SHEET

From: Julio J. Ramos	FOI REQUEST
# of Pages (w/cover) 4	Date: October 14, 2010
Case: 1400	Time: 11:25 AM

To: Margaret McCloskey
Firm: Federal Reserve
Fax Number: (202) 872-7565

To:
Firm:
Fax Number:

To:
Firm:
Fax Number:

To:
Firm:
Fax Number:

Notes: Please see attached letter.
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CONFIDENTIALITY NOTICE: This fax transmission and the document(s) accompanying it contain confidential information belonging to the sender which is legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on or regarding the contents of this faxed information is strictly prohibited. If you have received this fax in error, please immediately notify JULIO RAMOS by telephone to arrange for return of the original documents to us.

***If this FAX is not received in satisfactory condition
 please call (415) 948-3015 and ask for FAX assistance. Thank you.***

LOG:	OPERATOR:	STATUS:
------	-----------	---------

Julio J. Ramos
LAW OFFICES OF JULIO J. RAMOS
35 Grove Street, Suite 107
San Francisco, CA 94102
(voice) 415-948-3015
(fax) 415-469-9787

OCTOBER 14, 2010

VIA FACSIMILE
BOARD OF GOVERNORS
Federal Reserve System
Washington DC 2055
FOI office
Fax 202-872-7565

Re: AMEZCUA v. EAST WEST BANCORP.

APPEAL OF FOI DENIAL

Dear Federal Reserve,

I am writing in order to request a reconsideration of your denial of our request for SARs from 2001 through 2008 filed by EAST WEST BANK related to Nelson Liao aka Terchi Liao and entities under his control, received by your office on September 27, 2010. A lawsuit for aiding and abetting a ponzi scheme is currently being litigated against EAST WEST BANK in Los Angeles Superior Court case number BC412981 on behalf of a class of victim investors. The SEC put a stop to the scheme in *SEC v. AOB civ.07-4507*.

On October 13 2010, a former bank officer Lai Li Chu invoked the 5th amendment in response to our document requests, her counsel has indicated that the 5th amendment right against self incrimination will be further invoked in response to any future requests for information. It appears, this bank officer was the person responsible for filing the SARs that we seek. The federal receiver approximates that the ponzi scheme at issue raised over 45 million dollars and that over 20 million dollars is unaccounted. EAST WEST BANK was the primary bank for the scheme. About 450 investors gave money to the scheme. Accordingly, on behalf of the class of victim investors I implore you to reconsider our request, and assist us in providing a modicum of justice to these tragic events. The SARS are vital links in the evidentiary chain that is our burden to carry, any further denial impedes the victims from eventually gaining justice in this matter. If you require any additional information please call me.

Sincerely,


Julio J. Ramos

Enc:



**BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM**
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 30, 2010

Mr. Julio J. Ramos
Law Offices of Julio J. Ramos
35 Grove Street, Suite 107
San Francisco, CA 94102

Dear Mr. Ramos:

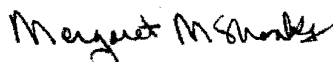
This is in response to your email message dated September 26, 2010, and received by the Board's Freedom of Information office on September 27. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

from the period 2001-2008 All Suspicious Activity Reports filed by East West Bank related to Neilson Liao also known as Terchi Liao, AOB Commerce Inc., Asia Fund 1 LLC, AOB Vacations Inc., Quennie Chu aka Lai Li Chu, AOB Media Inc., AOB Management, Peter Liao.

Please be advised that the Board is prohibited by statute from releasing Suspicious Activity Reports. See 31 U.S.C. § 5319. Responsive documents, if any, possessed by the Board are subject to withholding in full under exemptions 3 and 8 of the Act, 5 U.S.C. §§ 552(b)(3) and (b)(8). Accordingly, we cannot provide you with the information you seek.

Your request for information is denied in full for the reason set forth above. If you believe you have a legal right to any information that is being withheld, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,


Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure

PROOF OF SERVICE

I, Julio J. Ramos, declare under penalty of perjury that the following is true and correct:

I am a citizen of the United States; am over the age of 18 years; business address of 35 Grove Street, Suite 107 San Francisco CA. 94102; am not a party to the within action; and that I caused to be served a true and correct copy of the following documents in the manner indicated below:

1. APPEAL OF FOI DENIAL; AND
2. PROOF OF SERVICE

BY FACSIMILE: Per agreement of counsel of the parties, I placed a true copy of each document listed above at the address indicated below prior to 6:00 p.m. on this day to each person named below and gave same.

Federal Reserve Board
FOI Office
Attn: Margaret McCloskey
202-872-7565

Executed October 14, 2010 at San Francisco, California.

Signed _____

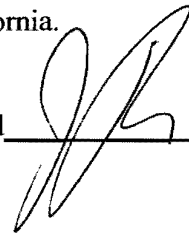


EXHIBIT D

1 JULIO J. RAMOS (SBN 189944)
 2 LAW OFFICES OF JULIO J. RAMOS
 3 35 Grove Street, Suite 107
 4 San Francisco, California 94102
 Telephone: (415) 948-3015
 Facsimile: (415) 469-9787

5 STEVEN M. NUNEZ (SBN 185421)
 6 WARD & HAGEN, LLP
 7 440 Stevens Avenue, Suite 350
 8 Solana Beach, California 92075
 Telephone: (858) 847-0505
 Facsimile: (858) 847-0105

9 Attorneys for Plaintiffs
 10 CARMEN HUERTA AMEZCUA
 MARIA SMITH BARRAGAN
 11 GUILLERMO POZO
 LILY POZO

12 **FEDERAL RESERVE BOARD OF GOVERNORS**

13 **OFFICE OF GENERAL COUNSEL**

14 CARMEN HUERTA AMEZCUA; MARIA) **REQUEST FOR DISCRETIONARY**
 15 SMITH BARRAGAN; GUILLERMO) **RELEASE OF DOCUMENTS**
 POZO; and LILY POZO on behalf of)
 16 themselves and a class of all others similarly)
 17 situated,)

18 Plaintiffs,

19 vs.

20 EAST WEST BANCORP. a Delaware)
 Corporation; LAI CHI CHU aka QUEENIE)
 21 CHU, an individual; and DOES 1 through)
 100,)

22 Defendants.
 23)
 24)
 25)
 26)
 27)

28 **REQUEST FOR DISCRETIONARY RELEASE OF DOCUMENTS**

1. Pursuant to CFR § 261.22 the Plaintiffs' in the action entitled Amezcuca v. East West Bancorp. BC412981¹ pending in the complex litigation department of the Los Angeles Superior Court before the Honorable Elihu M. Berle request that: from the period 2001-2008, all Suspicious Activity Reports, OFAC Reports, Currency Transaction Reports and any or all other reports, summaries or communications filed by East West Bank relating to Neilson Liao also known as Terchi Liao, AOB Commerce Inc., Asia Fund 1 LLC, AOB Vacations Inc., (Queenie Chu aka Lai Li Tsang Chu, Lai Li Chu) AOB Media Inc., AOB Management, Peter Liao, Judy Seo and Eva Aw be made available for review and reproduction. The documents requested would likely relate to the following bank accounts:

East West Bank	AOB Asia Fund I, LLC	83702258
East West Bank	AOB Asia Fund I, LLC	83702688
East West Bank	AOB Commerce, Inc.	05805239
East West Bank	AOB Commerce, Inc.	05806658
East West Bank	AOB Commerce, Inc.	14033799
East West Bank	AOB Commerce, Inc.	83702829
East West Bank	AOB Commerce Inc.	83702886
East West Bank	AOB Commerce Inc.	88366178
East West Bank	AOB Commerce, Inc.	05806039
	dba Garfield Venture	
East West Bank	AOB Commerce, Inc.	05806989
	dba Gabriel Maros Meza	
East West Bank	AOB Management, Inc.	15215510
East West Bank	AOB Management, Inc.	83701938

¹ A copy of the First Amended Complaint is Attached as Exhibit A.

1	East West Bank	AOB Management, Inc.	83702738
2	East West Bank	AOB Media, Inc.	83700898
3	East West Bank	AOB Trans. ,Inc.	83701383
4	East West Bank	AOB Vacations, Inc.	83701888
5	East West Bank	Terchi Liao	05806559
6	East West Bank	Terchi Liao	13954888
7	East West Bank (HK)	AOB Commerce HK Ltd.	8005991011

8 **I. BACKGROUND**

9 LAI CHI CHU a former Vice-president at East West Bancorp has formally
10 invoked the Fifth Amendment to the Constitution in a Securities and Exchange
11 Commission (“SEC”) deposition to stop a long running ponzi-scheme entitled *Securities*
12 *and Exchange Commission v. AOB Commerce Inc. et. al.*, Civ. 07-4507 filed on July 12,
13 2007 (C.D. Cal.) and again in response to Plaintiffs’ Request for the Production of
14 Documents. [Set One] No.1 – No.35, in the case *Amezcuca et. al. v. East West et. al.*, BC
15 412981 (the California action).

16 The ponzi-scheme raised more than \$45 million from about 450 investors through
17 the unregistered offering and sale of promissory notes that purported to pay guaranteed
18 interest derived from loaning money to entities in the Peoples Republic of China and
19 Asia. According to the federally appointed receiver, approximately \$20 million dollars is
20 missing. During 2006 and 2007 the named plaintiff’s by wire transfers to East West Bank
21 caused to be deposited over \$300,000.00 in ponzi-scheme bank accounts. Much of the
22 source of the money consisted of retirement accounts, life savings, home equity lines of
23 credit and refinanced mortgages.

24 The federally appointed receiver Robb Evans and Associates has identified that
25 Defendant Lai Chi Chu aka Queenie Chu was the East West branch manager that
26
27

1 directed, supervised and approved East West Bank's dealings with the Ponzi-scheme.²
2 Discovery documents indicate that she was also instrumental in obtaining a million dollar
3 plus loan from East West Bank for Asia Fund LLC for the purchase of luxury real estate
4 in Lake Forest, California in mid 2006. The loan was ultimately approved by a high-
5 level East West Bank committee.

6 Discovery documents also show that East West Bancorp systematically cleared
7 checks presented for payment on ponzi-scheme accounts that had insufficient funds,
8 consistently covered overdrafts, transferred funds from Money Market Accounts to pay
9 for the cleared checks that would have otherwise bounced, paid fictitious taxes and
10 collected thousands of dollars in account related fees from over 25 sham bank accounts.

11 Asia Fund LLC was a sham entity established by the Ponzi-Scheme with East
12 West Bank accounts. It had no discernible business purpose other than to collect deposits
13 from new victim investors. These deposits would then be transferred to other East West
14 Bank Accounts to pay for example: fictitious interest payments, fictitious redemptions,
15 the Lake Forest Loan interest payments, banking fee charges, office rent, payroll,
16 brochure printing, fictitious tax payments, professional fees, travel, credit card bills,
17 automobiles, concert promotion, investor recruitment, parties, and dinners.

18 The ponzi-scheme marketed itself through a website www.aobinc.com, slick
19 brochures titled AOB COMMERCE INC.™ A FINANCIAL SERVICES CORPORATION,
20 BUSINESS FINANCE SOLUTIONS and AOB ASIA FUND™ an AOB Commerce™
21 guaranteed principal and return product promises made promises kept, parties and
22 referrals.

23 The scheme described itself as "fixed return product offered by AOB Commerce
24 TM since 2001, in this program money and other borrowed funds are placed into the
25

26 ² See Detailed in Report of Temporary Receiver's Activities July 24, 2007 through
27 January 31, 2008, at pg.2, filed March 10, 2008. (A true and correct copy attached as
Exhibit A, Ramos Dec.)

1 AOB Asia FUND TM which are then loaned or invested in strategic joint ventures with
2 companies in Asia.”

3 The FAQs portion of the brochure states “Historical performance return rate
4 ranges between 12%-24% APR.” (*Id.*). In reality, only a very small portion of investor
5 funds were ever used to make overseas loans. Instead, new investor funds were used to
6 pay the monthly interest payments and commissions due to other investors.

7 The Federally appointed receiver identified LAI CHI CHU as having distributed
8 over \$290,000.00 in receivership cash to the ponzi-scheme mastermind subsequent to the
9 entry of injunction Orders against the ponzi-scheme.

10 II. PROCEDURAL POSTURE

11 On February 13, 2008 the Securities and Exchange Commission (SEC) attempted
12 the deposition of Lai Chi Chu. She refused to testify to almost all questions based on the
13 Fifth Amendment Privilege against self-incrimination.

14 The complaint was filed on April 28, 2009. On March 23, 2010 Plaintiffs filed a
15 proof of service of the complaint against Lai Chi Chu.

16 On March 24, 2010 the Court overruled East West Bancorp’s demurrers.

17 On April 9, 2010 East West Bancorp answered the complaint.

18 On April 28, 2010 the stay of discovery was lifted and the Court directed East
19 West Bancorp to produce to Plaintiffs documents that it had produced to the SEC and
20 directed the Plaintiffs to seek the default of Lai Li Chu.

21 On May 12, 2010 defendant Lai Chi Chu through counsel formally appeared at a
22 status conference in this matter.

23 On September 13, 2010 Plaintiffs served a First Request for Production of
24 Document upon Lai Chi Chu. (A true and correct copy attached as Exhibit C to Ramos
25 Dec.)

1 On September 23, 2010 Defendant Lai Chi Chu through counsel served responses
2 to the Request for Production and asserted a Fifth Amendment refusal to produce
3 documents.

4 On October 13, 2010 Defendant Lai Chi Chu through counsel served a letter to
5 Plaintiffs' counsel indicating that: "So that she may have a real opportunity to testify, Ms.
6 Chu intends to move for a protective order before Judge Kuhl, requesting that the Court
7 either: (a) grant her immunity from prosecution; or (b) stay this case until the statute of
8 limitation has run on all potential criminal charges against her."

9 On October 28, 2010 Defendant Lai Chi Chu filed a Motion for Protective Order
10 to stay the present case pending the lapse of a five year criminal statute of limitation.

11 On November 18, 2010 Defendant Lai Chi Chu's demurrers to dismiss the
12 complaint were overruled and a case stats conference was held. After a meet and confer
13 between all counsel a briefing schedule was agreed upon regarding the Plaintiffs' filing
14 of a motion that would request the grant of prospective immunity upon Defendant Lai
15 Chi Chu.

16 On December 10, 2010 the Defendant Lai Chi Chu sought an *ex parte* order, to
17 delay the agreed upon briefing schedule and judicial intervention regarding the content of
18 notice of the immunity request to prosecuting entities.

19 On or about April 30, 2009 a class action lawsuit was filed against East West
20 Bancorp. on the basis of aiding and abetting a ponzi-scheme. A Bank Vice-President by
21 the name of Lai Chi Chi, aka Queenie Chu knowingly and substantially assisted Terchi
22 Liao aka Nelson Liao in the implementation of a ponzi-scheme that raised over 45
23 million dollars.

24 On January 26, 2011 the Honorable Elihu M. Berle stayed all discovery against
25 Lai Chi Chu for 6 months.

PROOF OF SERVICE

I, Julio J. Ramos, declare under penalty of perjury that the following is true and correct:

I am a citizen of the United States; am over the age of 18 years; business address of 35 Grove Street, Suite 107 San Francisco CA. 94102; am not a party to the within action; and that I caused to be served a true and correct copy of the following documents in the manner indicated below:

1. REQUEST FOR DISCLOSURE; AND
2. PROOF OF SERVICE

BY FAX AND UNITED STATES MAIL: Per agreement of counsel of the parties, I placed a true copy of each document listed above at the address indicated below prior to 6:00 p.m. on this day to each person named below and gave same.

**General Counsel
Reserve Board of Governors
Federal Reserve System
Washington DC 2055
Fax 202-872-7565**

Executed February 8, 2011 at San Francisco, California.

Signed /s/ Julio J. Ramos 

EXHIBIT E

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 18, 2011

Mr. Julio J. Ramos
Law Offices of Julio J. Ramos
25 Grove Street, Suite 107
San Francisco, CA 94102

Re: Request for Confidential Supervisory Information Pursuant to 12 C.F.R. § 261.22;
Amezcuca v. East West Bancorp, Case No. BC412981;
In the Superior Court of the State Of California, County of Los Angeles

Dear Mr. Ramos:

This responds to your request for discretionary release of documents, dated February 8, 2011, in which you request access to confidential supervisory information of the Board for use in connection with the above-captioned matter. As I understand it, you represent the plaintiff class in an action against East West Bancorp and a former Vice President of East West Bancorp, Lai Chi Chu (collectively, "Defendants"), for aiding and abetting breach of fiduciary duty and fraud, as well as unjust enrichment and violations of the California Business & Professional Code.

You explain that the litigation relates to an alleged Ponzi scheme which Defendants allegedly aided and abetted. Specifically, you assert that East West Bancorp maintained over 25 "sham" bank accounts in connection with a Ponzi scheme, and cleared checks presented for payment on these accounts despite insufficient funds, paid fictitious taxes, and collected fees from these accounts. You further assert that Ms. Chu, in her role as Vice President and branch manager at East West Bancorp, distributed \$290,000 in receivership cash to the party responsible for this Ponzi scheme.

You explain that Ms. Chu has invoked her Fifth Amendment rights in response to a discovery request for production of documents. You further indicate that Ms. Chu has requested that, in exchange for her testimony, the court grant her immunity from prosecution or stay the case until the statute of limitations on all potential criminal charges against her has expired. On motion from Ms. Chu, the court stayed all discovery against Ms. Chu for six months on January 26, 2011.

You request that the Board make available for review and reproduction all Suspicious Activity Reports, OFAC Reports, Currency Transaction Reports, and any or all other reports,

summaries, or communications filed by East West Bank relating to Ms. Chu, Neilson Liao, AOB Commeric Inc., Asia Fund I LLC, AOB Vacations Inc., AOB Media Inc., AOB Management, Peter Laio, Judy Seo, and Eva Aw for the period of 2001 to 2008. You assert that the plaintiffs need this information in order to meet their burden of persuasion in establishing knowledge of fraud. You further assert that the information cannot be obtained from Ms. Chu because of the court's six-month stay on discovery.

To the extent that the Board possess the documents you request, they would constitute confidential supervisory information under the Board's Rules Regarding Availability of Information, 12 C.F.R. § 261.2(c). Confidential supervisory information is "confidential and privileged. Accordingly, the Board will not normally disclose this information to the public." 12 C.F.R. § 261.22(a). The Board believes, as a general matter, that information of this type must remain confidential because of the need to ensure absolute candor in communications between bankers and examiners. Upon written request to the General Counsel by a party seeking such information, confidential supervisory information may be made available if such person is able to show a "substantial need for [the] information that outweighs the need to maintain confidentiality" and that disclosure would be "consistent with the supervisory and regulatory responsibilities and policies of the Board." 12 C.F.R. § 261.22(c). Before such information may be released, however, the requester must comply with all provisions of 12 C.F.R. § 261.22(b).

Based upon my understanding of this matter and on discussions with appropriate Federal Reserve System staff, I have determined that you have not shown a substantial need for confidential supervisory information that outweighs the need for the Board to maintain the confidentiality of examination information, and that disclosure would not be consistent with the supervisory and regulatory responsibilities and policies of the Board. 12 C.F.R. § 261.22.

Because of our obligations under the Bank Secrecy Act, 31 U.S.C. § 5318, it is the Board's policy not to release Suspicious Activity Reports or Currency Transaction Reports. Though banks are also prohibited from releasing these reports, 12 C.F.R. § 208.62, you may request any underlying transaction documents from East West Bancorp through the normal discovery process.

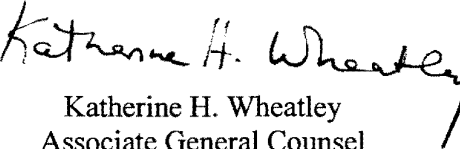
Further, you have not explained why Federal Reserve documents are necessary to the resolution of this matter. See 12 C.F.R. § 261.22(b)(iv). You do not indicate why the court's six-month stay on discovery against Ms. Chu precludes you from making discovery requests to East West Bancorp and the other Defendants. These parties would presumably be in possession of the underlying business documents that would be reflected in the reports you request. Moreover, a temporary stay on discovery against a single defendant, while it may delay resolution of your suit, does not impede your ability to obtain any information you seek from that party through the normal discovery process once the court's stay has expired.

Thus, you have not explained why you cannot obtain the information sought from any other source. See 12 C.F.R. § 261.22(b)(v). You may obtain information on the accounts in question by reviewing East West Bancorp's own business records. Confidential supervisory information does not include records maintained by the bank that were prepared by East West

Bancorp for its own business purposes, and that do not on their face reflect confidential communications with examiners, even if those documents were in fact reviewed or copied by examiners or were reflected in or provided to the Federal Reserve in a SAR or other filing. You may retain your own expert to assist you in determining the legal consequences of the facts revealed in those records.

For the reasons discussed above, your administrative request for confidential supervisory information is denied. If you have any questions regarding this matter, you may contact Spencer Davis of the Board's Legal Division at (202) 452-3512.

Sincerely,


Katherine H. Wheatley
Associate General Counsel